

REMARKS

Claims 1 – 32 have been examined and stand rejected under 35 U.S.C. §102(e) as anticipated by U.S. Pat. No. 7,089,208 (“Levchin”).

The independent claims have been amended to clarify certain aspects of the invention and various amendments have been made to the dependent claims for consistency with those amendments. In particular, the claims have been amended to clarify that the transfer of value takes place between a first value provider and a second value provider, each of which stores value on behalf of its customers. In addition, the amended claims clarify that the exchange provider that effects the exchange of value is different from the value providers. This is illustrated, for example, in Fig. 2A of the Application and is described at, *e.g.*, p. 4, ll. 12 – 19 and p. 5, l. 31 – p. 6, l. 5 of the application. The exchange provider determines the exchange rate for the value as described at p. 7, ll. 25 – 30 of the application. The value is received from the first value provider in response to a request to transfer the value to the second value provider (Application, p. 4, ll. 22 – 24).

The combination of limitations in the amended claims embraces a method and system that effect transfers of value between entities that store value on behalf of customers. These value transfers are effected through a separate exchange provider that determines the exchange rate and are effected in response to a request for a transfer to be made from the first value provider to the second value provider.

Such an arrangement is distinct from what is disclosed in Levchin, which instead describes transfers of value within a single system. Someone wishing to effect a transfer of value using the Levchin system must be registered with the system by having an account established (Levchin, Col. 3, ll. 56 – 59). Transfers of value are effected simply by transferring value among different accounts maintained by the system. In some special circumstances where a receiving party does not have an account on the system, a surrogate may be used in the form of a telephone number or e-mail address, allowing the receiving party to interact temporarily with the system to close out the transfer (*id.*, Col. 3, l. 63 – Col. 4, l. 26).

The claimed method and system do not require that accounts be maintained by the exchange provider, permitting value to be exchanged directly between value providers. The involvement of value providers in the Levchin system appears to be limited to providing a mechanism for introducing value into the system by crediting accounts and removing value from the system by debiting accounts (*id.*, Col. 4, ll. 48 – 52). This process is incidental to the transfers of value implemented by the system, which instead remain merely as transfers among accounts within the system.

With respect to the specific claim language, Levchin does not anticipate any of the independent claims because it does not teach or suggest “receiving the value from the first value provider with an exchange provider in response to [a] request” “initiated by a value owner to transfer value from the first value provider to the second value provider in a converted form.” Levchin lacks any disclosure of a “request to transfer value from [a] first value provider to [a] second value provider,” instead disclosing requests to transfer value among accounts of a single system. Furthermore, Levchin lacks any disclosure that the value is received from a value provider in response to a transfer request, instead disclosing that value already present in an account is transferred to a different account in response to the request.

Since these limitations are not taught or suggested by the cited art, each of the independent claims is believed to be patentable over that art. The various dependent claims are similarly believed to be patentable by virtue of their dependence from patentable claims.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

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